

Bureau of Real Estate  
of the  
State of California

FINAL SUBDIVISION PUBLIC REPORT  
CONDOMINIUM

In the matter of the application of

401 Harrison Investor, LLC  
A Delaware limited liability company

FILE NO.: 142419SA-F00

ISSUED: APRIL 21, 2015

EXPIRES: APRIL 20, 2020

for a Final Subdivision Public Report on

Parcel Map of One Rincon Hill

“One Rincon Hill Tower II”

BUREAU OF REAL ESTATE

by



Gil Hatfield

SAN FRANCISCO COUNTY, CALIFORNIA

CONSUMER INFORMATION

- ◆ **This report is not a recommendation or endorsement of the subdivision; it is informative only.**
- ◆ **Buyer or lessee must sign that (s)he has received and read this report.**
- ◆ A copy of this subdivision public report along with a statement advising that a copy of the public report may be obtained from the owner, subdivider, or agent at any time, upon oral or written request, *must* be posted in a conspicuous place at any office where sales or leases or offers to sell or lease interests in this subdivision are regularly made. [Reference Business and Professions (B&P) Code Section 11018.1(b)]

This report expires on the date shown above. All material changes must be reported to the Bureau of Real Estate. (Refer to Section 11012 of the B&P Code; and Chapter 6, Title 10 of the California Administrative Code, Regulation 2800.) Some material changes may require amendment of the Public Report; which Amendment must be obtained and used in lieu of this report.

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, marital status, domestic partnership, national origin, physical handicap, ancestry, gender identity, gender expression, sexual orientation, familial status, source of income, disability, or genetic information is against public policy.

Under Section 125.6 of the B&P Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they discriminate or make any distinction or restriction in negotiating the sale or lease of real property because of the race, color, sex, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, or physical handicap of the client. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, (s)he should contact the Bureau of Real Estate.

**Read the entire report on the following pages before contracting to buy or lease an interest in this subdivision.**

**COMMON INTEREST DEVELOPMENT  
GENERAL INFORMATION**

***Common Interest Development***

The project described in the attached Subdivision Public Report is known as a common-interest development. Read the Public Report carefully for more information about the type of development. The development includes common areas and facilities which will be owned and/or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

***Governing Instruments***

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

***Assessments***

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot or unit. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your lot or unit may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

***Common Facilities***

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this development. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest development should contemplate active participation in the affairs of the association. He or she should be willing to serve on

the board of directors or on committees created by the board. In short, "they" in a common interest development is "you". Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

***Subdivider Control***

Until there is a sufficient number of purchasers of lots or units in a common interest development to elect a majority of the governing body, it is likely that the subdivider will effectively control the affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interests that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

***Cooperative Living***

When contemplating the purchase of a dwelling in a common interest development, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common interest development is very much like governing a small community ... the management can serve you well, but you will have to work for its success. [B & P Code Section 11018.1(c)]

***Informational Brochure***

The Bureau of Real Estate publishes the Common Interest Development Brochure. The information in this brochure provides a brief overview of the rights, duties and responsibilities of both associations and individual owners in common interest developments. To obtain a free copy of this brochure, please send your request to:

Book Orders  
Bureau of Real Estate  
P.O. Box 137006  
Sacramento, CA 95813-7006

RE 646 (Rev. 12/99)

THIS REPORT COVERS 298 RESIDENTIAL UNITS AS SHOWN ON THE RECORDED CONDOMINIUM PLAN.

**SPECIAL INTEREST AREAS IN THIS FINAL SUBDIVISION PUBLIC REPORT:** YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPHS BELOW ENTITLED: MANAGEMENT AND OPERATION, MAINTENANCE AND OPERATIONAL EXPENSES, TITLE UTILITIES AND OTHER SERVICES.

NOTE: IN ADDITION TO THESE AREAS, IT IS IMPORTANT TO READ AND THOROUGHLY UNDERSTAND THE REMAINING SECTIONS SET FORTH IN THIS FINAL SUBDIVISION PUBLIC REPORT PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE.

**BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL SALES CONTRACT AND LOAN DOCUMENTS. IF YOU DO NOT UNDERSTAND THE TERMS OF YOUR CONTRACT OR LOAN DOCUMENTS, YOU MAY WISH TO CONSIDER CONSULTING WITH YOUR OWN ATTORNEY BEFORE ENTERING INTO A CONTRACT TO PURCHASE THE PROPERTY.**

THE USE OF THE TERM "PUBLIC REPORT" SHALL MEAN AND REFER TO THIS FINAL PUBLIC REPORT.

### OVERVIEW OF SUBDIVISION

**Location:** This subdivision is located at 401 Harrison Street within the city limits of San Francisco, CA. Prospective purchasers should acquaint themselves with the kinds of city services available.

**Type of Subdivision:** This subdivision is a common-interest development of the type referred to as a condominium. It will be operated by an incorporated owners association.

**Interests to Be Conveyed:** You will receive fee title to a specified unit, an undivided fractional fee interest as tenant in common in the common area, together with a membership in the One Rincon Hill Tower II Association ("Association") and rights to use the common area.

**About This Phase:** This is a single phase subdivision which consists of approximately .29 acres on which 1 building containing 298 residential units, 1 commercial unit and 1 underground parking garage with 507 parking spaces will be constructed.

Common amenities and/or facilities consisting of landscaping with fountain/water feature, locker rooms with furnishings, recreation rooms (exercise room and meeting room) will be constructed. The estimated completion date is May 2015.

THIS CONDOMINIUM DEVELOPMENT IS A COMBINATION RESIDENTIAL AND COMMERCIAL SUBDIVISION. THE NON-RESIDENTIAL PORTION OF THE COMMUNITY COMPRISES 15 PERCENT OR MORE OF THE TOTAL SQUARE FOOTAGE OF ALL THE UNITS. UNDER INTERNAL REVENUE REGULATION SECTION 1.528-4(B), THE HOMEOWNERS' ASSOCIATION DOES NOT QUALIFY AS A TAX-EXEMPT ORGANIZATION, AND THE CALIFORNIA FRANCHISE TAX BOARD HAS TAKEN THE SAME POSITION. THEREFORE, THE TAXABLE INCOME OF THE ASSOCIATION WILL BE SUBJECT TO FEDERAL INCOME TAXATION AND STATE BANK AND CORPORATION TAX.

DUE TO THE INABILITY TO PREDICT FUTURE MARKET CONDITIONS WITH ACCURACY, THERE ARE NO ASSURANCES THAT THE SUBDIVISION WILL BE BUILT AS CURRENTLY PLANNED, OR PURSUANT TO ANY PARTICULAR BUILD-OUT SCHEDULE. TOPOGRAPHICAL MAPS IN THE SALES OFFICE, LOT PLOTTING MAPS, MAPS OFFERED BY SUBDIVIDER AND OTHER FORMS SHOWING "COMPLETE" SUBDIVISION PROJECTIONS DO NOT NECESSARILY COMMIT THE SUBDIVIDER TO COMPLETE THE SUBDIVISION OR, IF COMPLETED, TO COMPLETE THE SUBDIVISION AS SHOWN. THE SUBDIVIDER MAY SELL AT ANY TIME, ALL OR ANY PORTION OF THE LOTS OR CONDOMINIUM UNITS WITHIN THE SUBDIVISION TO ANY THIRD PARTY, INCLUDING OTHER DEVELOPERS OR BUILDERS.

There are amenities within Rincon Hill Tower II and Rincon Hill Tower I that will be shared by residents of each of the buildings. Although each of the towers is managed and operated by a different association of owners, an Amended and Restated Reciprocal Easement Agreement ("REA"), recorded on February 12, 2012 as Instrument No. 2012-J358155 of Official Records, San Francisco County Recorder's Office, as amended by a First and a Second Amendment, both recorded on December 23, 2014, as Series No. 2014-J997863 and Series No. 2014-J997864, both of Official Records, provide that the amenities of both towers are to be shared, providing the residents of both towers with equal access to all of the amenities within the two communities. The amenities include fitness centers, hospitality rooms, parking garage, swimming pool, spa, barbeque and lawn area and any other amenities situated on the podium level of the first tower. The costs of maintenance, operation and repair of the amenities are to be shared pro rata among the units in both communities, as explained in the REA and the amendments. These amendments were signed on behalf of the Tower I community by the One Rincon Hill Association and by the Owner of Tower II, 401 Harrison Investor, LLC. The First Amendment to the REA updated the amenities covered by the REA to be consistent with the current Tower II plans, except for the Sky Lounge in Tower II. The First Amendment made the One Rincon Hill Association responsible for management, operation and repair of the Tower I amenities and the Owner of Tower II responsible for management, maintenance of Tower II amenities. The Second Amendment added the Sky Lounge to the Tower II Amenities to be shared with the Tower I residents on the same basis as other residents.

**Sale of All Residences:** The Subdivider has indicated that he intends to sell all of the units in this subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the units.

**SUBDIVIDER AND PURCHASER OBLIGATIONS:** IF YOU PURCHASE FIVE OR MORE CONDOMINIUM UNITS FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED FINAL PUBLIC REPORT BEFORE YOU CAN OFFER THE INTERESTS FOR SALE OR LEASE.

**NOTE:** WHEN YOU SELL YOUR CONDOMINIUM UNIT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON A COPY OF THE DECLARATION OF RESTRICTIONS, ARTICLES OF INCORPORATION, THE BYLAWS AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEYS FEES OR OTHER CHARGES,

PROVIDED BY THE RESTRICTIONS OR OTHER MANAGEMENT DOCUMENTS ON THE CONDOMINIUM UNIT THE DATE THE STATEMENT WAS ISSUED.

**WARNING:** IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 – PLUS ATTORNEY'S FEES AND DAMAGES (CIVIL CODE SECTION 4540).

**Completion of Common Area:** The Subdivider estimates all common facilities including residential structures in the total subdivision will be completed by approximately May 2015.

No escrows will close until completion of all common area improvements, amenities, and facilities or, as an alternative, the Subdivider has submitted a bond or other security acceptable to the Bureau of Real Estate under the provisions of Section 11018.5 of the Business and Professions Code to assure lien free completion of common amenities, common facilities and residential units in this condominium subdivision.

NOTWITHSTANDING ANY PROVISION IN THE PURCHASE CONTRACT TO THE CONTRARY, A PROSPECTIVE BUYER HAS THE RIGHT TO NEGOTIATE WITH THE SELLER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE PURCHASER OR THE PURCHASER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SELLER.

### **MANAGEMENT AND OPERATION**

**Association Obligations and Governing Documents:** The Association, of which you become a member at time of purchase, is governed by and manages, maintains, and operates the subdivision in accordance with the Covenants, Conditions and Restrictions (the "**CC&Rs**"), the Articles of Incorporation, ("**Articles**"), and the Bylaws. In addition, the Association has the right to adopt rules and regulations and guidelines for the subdivision and which will include subdivision design/architectural guidelines which will set forth the guidelines and procedures for design/architectural review within the subdivision. There may also be supplementary declarations or notices of annexation ("**Supplementary Declarations**") which will be recorded against portions of the subdivision which may set forth additional restrictions and easements covering the areas covered by the Supplementary Declaration(s) (the CC&Rs, Bylaws, Articles, Supplementary Declaration (s) and rules and regulations and design/architectural guidelines may hereinafter be referred to as the "**Governing Documents**"). You should review each of these documents carefully.

**INITIAL MEETING:** THE ASSOCIATION WILL BE FORMED PURSUANT TO THE TERMS AND PROVISIONS OF GOVERNING DOCUMENTS. SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES WILL BE MAINTAINED BY THE ASSOCIATION, IT IS ESSENTIAL THAT THIS ASSOCIATION BE FORMED EARLY AND PROPERLY. THE ASSOCIATION MUST HOLD THE FIRST MEMBERSHIP MEETING AND ELECTION OF THE ASSOCIATION'S GOVERNING BODY WITHIN 45 DAYS AFTER 51% SELL OUT OF THE INTERESTS AUTHORIZED FOR SALE UNDER THE FIRST FINAL PUBLIC REPORT FOR THE SUBDIVISION. HOWEVER, IN NO EVENT SHALL THE MEETING BE HELD LATER THAN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST. (REGULATIONS 2792.17 AND 2792.19) THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT. THEREAFTER THE ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH THE GOVERNING DOCUMENTS. THE ASSOCIATION MUST THEN ALSO PREPARE AND

DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTIONS 5500 ET. SEQ. OF THE CIVIL CODE.

**The CC&Rs:** This subdivision is subject to the CC&Rs recorded in the Office of the San Francisco County Recorder, on March 26, 2015, as Instrument Number 2015-K039138.

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE RESTRICTIONS. THE SUBDIVIDER MUST MAKE THEM AVAILABLE TO YOU.

**DOCUMENTS TO BE FURNISHED:** THE SUBDIVIDER STATED THAT HE WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE BUREAU OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

THE SUBDIVIDER STATED THAT HE WILL FURNISH EACH INDIVIDUAL PURCHASER WITH THE CONDOMINIUM PLAN.

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE ASSOCIATION THE SPECIFIC RECORDS AND MATERIALS LISTED IN REAL ESTATE COMMISSIONER'S REGULATION 2792.23 WITHIN THE STATED TIME PERIOD. THESE RECORDS AND MATERIALS DIRECTLY AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 4800 OF THE CIVIL CODE).

THE SUBDIVIDER SHALL MAKE A COPY OF THE ARTICLES, THE BYLAWS, AND THE CC&RS AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A CONDOMINIUM UNIT. A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICABLE BEFORE CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A CONDOMINIUM UNIT (BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

#### **MAINTENANCE AND OPERATIONAL EXPENSES**

**Association to Levy Assessments:** The association has the right to levy assessments against you for maintenance of the common areas, amenities and facilities, and other purposes. Your control of operations and expenses is limited to the right of your elected representatives to vote on certain provisions at Association meetings.

**Proposed Budget:** The Subdivider has submitted a budget for the management, maintenance and operation of the Association obligations and for long-term reserves. This budget was reviewed by the Bureau of Real Estate in November 2013. You should obtain a copy of this budget from the Subdivider. Under this budget, the monthly assessment against each residential condominium unit ranges from \$927.68 to \$1,392.16 and the commercial unit will be \$645.77 of which \$59.48 for the residential units and \$19.63 for the commercial unit is a monthly contribution to long-term reserves and is not to pay for current management, maintenance and operating expenses.

**NOTE:** THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

**BUDGET INFORMATION PROVIDED BY SUBDIVIDER:** DELINQUENCIES IN THE PAYMENT OF ASSOCIATION ASSESSMENTS AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ANY OR ALL OF ITS RESPONSIBILITIES AND COULD ALSO RESULT IN UNFORESEEN SPECIAL ASSESSMENTS LEVIED AGAINST ALL HOMES OR A SIGNIFICANT REDUCTION IN BUDGETED ASSOCIATION SERVICES. THE SUBDIVIDER MUST IMMEDIATELY NOTIFY THE BUREAU OF REAL ESTATE IN WRITING, IF DELINQUENT ASSESSMENTS HAVE CAUSED THE ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS INCOME THAN REFLECTED IN THE THEN CURRENT ASSOCIATION BUDGET (REGULATION 2800K).

THE SUBDIVIDER MUST MAKE AVAILABLE TO YOU A STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS AND RELATED CHARGES AS PROVIDED BY THE GOVERNING DOCUMENTS AND, IF AVAILABLE, CURRENT FINANCIAL INFORMATION AND RELATED STATEMENTS (BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

In addition to other documentation provided to each prospective Buyer, a copy of the current financial information, and related statements, to the extent available, as specified by Section (b) of Civil Code Section 5300 must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Condominium Unit. A copy of this financial information must also be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION, AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE SUBDIVISION ASSOCIATION. If you do not understand the contents of these financial documents, you may wish to consult with your own professional advisors. Should the amounts collected by the Association prove insufficient to properly maintain, operate, repair or replace the common facilities, the Association may increase Regular Assessments or levy one or more Special Assessments in accordance with the Governing Documents in order to provide such funding, which may affect your ability to purchase, or, as an alternative, the Association may decide to defer maintenance or eliminate services.

**Assessments Increases/Decreases:** The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the CC&Rs or Bylaws. In considering the advisability of a decrease (or a smaller increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

**Commencement of Assessments:** Regular assessments for the Association will commence on all condominium units on the first day of the month immediately following the conveyance of the first subdivision condominium unit. The Subdivider must pay assessments to the Association for all unsold condominium units (Regulations 2792.9 and 2792.16).

**Failure to Pay:** The remedies available to the Association against owners who are delinquent in the payment of assessments are set forth in the CC&Rs. These remedies are available against the Subdivider as well as against other owners.

**Subdivider's Assessment Security:** The Subdivider will make financial arrangements as partial security for the obligation to pay these assessments. The governing body of the Association should assure itself that the Subdivider has satisfied these obligations to the Association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

### USES/ZONING/HAZARD DISCLOSURES

The Subdivider has set forth below references to various uses, zoning, hazards and other matters based on information from a variety of sources. You should independently verify the information regarding these matters, as well as all other matters, that may be of concern to you regarding the subdivision and all existing, proposed or possible future uses adjacent to or in the vicinity of the subdivision. At the time this public report was issued, some of the land uses that surround the subdivision include, but are not limited to, the following:

#### **Zoning:**

North - Downtown Residential – Rincon Hill  
South - Downtown Residential – Rincon Hill  
East - Downtown Residential – South Beach/Freeway  
West - Downtown Residential – South Beach

**Uses:** This subdivision is located in a high density area with a great range of uses of the surrounding properties of which includes: commercial, retail, office, restaurants, etc. and is subject to urban environmental noise, traffic, Muni trains and buses.

**Hazards:** The subdivider advises that the following hazards exist within or near this subdivision:

Interstate 80 is adjacent to the southeast  
San Francisco Bay Bridge is adjacent to the south

**PURCHASERS SHOULD FAMILIARIZE THEMSELVES WITH THE SURROUNDING AREAS OF THE SUBDIVISION BEFORE SIGNING A PURCHASE AGREEMENT/CONTRACT.**

### TITLE

**Preliminary Report:** A preliminary report will be issued by the title insurer to reflect those items that affect the condition of title. You are encouraged to request a copy of this preliminary report for review of those items that affect the condominium unit you are purchasing. Those items typically shown on a report include, but are not limited to, general and special taxes, easements, mechanic liens, monetary encumbrances, trust deeds, utilities, rights of way and CC&Rs. In most instances, copies of documents can be provided to you upon request.

Additionally the preliminary report shows title, among other things, to be subject to the following:

**Covenants, conditions and restrictions,** certain easements, provisions for liens and the subordination thereof, provisions relating to partition and restrictions on severability of component parts as set forth in the document shown below, but omitting, except to the extent that said covenant or restriction is controlled or permitted by any applicable federal or state law, any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation,

familial status, marital status, disability, medical condition, national origin, source of income, or ancestry.

Entitled: Master Declaration of Conditions, Covenants and Restrictions of One Rincon Hill Condominiums  
Executed by: One Rincon Development, LLC, a Delaware limited liability company  
Recorded: January 3, 2006, Instrument No. 2006-1103763, Reel J048, Image 0001, of Official Records

Liens and charges for upkeep and maintenance as set forth in the above mentioned declaration, payable to One Rincon Hill Master Association.

(Affects Tract One)

"Correction to Master Declaration of Conditions, Covenants and Restrictions of One Rincon Hill Condominiums" recorded December 24, 2014, Series No. 2014-J997862, of Official Records.

**Notice of "Declaration of Use - Minor Sidewalk Encroachment, Permit #05MSE-0519**

Recorded: January 14, 2008, Instrument No. 2008-I517885, of Official Records

Reference is made to said document for full particulars.

**The terms and conditions** of that certain document entitled "Notice of Non-Adversarial Procedure Under Civil Code Section 912(f)", recorded February 1, 2008, Series No. 2008-I530468, Official Records of San Francisco County.

(Affects Tract One)

**Matters contained** in that certain document

Entitled: Amended and Restated Reciprocal Easement Agreement  
Executed by: One Rincon Hill Association and 401 Harrison Investor, LLC Recording  
Date: February 22, 2012  
Recording No.: Instrument No. 2012-J358155, of Official Records

(Affects Tract One)

Reference is hereby made to said document for full particulars.

"First Amendment to Amended and Restated Reciprocal Easement Agreement" recorded December 23, 2014, Series No. 2014-J997863, of Official Records.

"Second Amendment to Amended and Restated Reciprocal Easement Agreement" recorded December 23, 2014, Series No. 2014-J997864, of Official Records.

**Notice of Special Restrictions** under the City Planning Code of the City and County of San Francisco, upon the terms and conditions contained therein

Recorded: June 18, 2012, Series No. 2012-J431743, Official Records of San Francisco County.

Reference is hereby made to said document for full particulars.

**Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: State of California by and through its Director of Transportation  
Purpose: Construct, operate, maintain, repair, reconstruct, replace and/or remove traffic lights and traffic signals  
Recording Date: June 27, 2012  
Recording No.: Instrument No. 2012-J437698, of Official Records  
Affects: The northeasterly 5 feet of Tract Two

**A Notice** of Declaration of Use - Minor Sidewalk Encroachment

Recorded: August 21, 2012, Instrument No. 2012-J488998, of Official Records

Reference is made to said document for full particulars.

**The terms and** provisions of those certain unrecorded gas and electric agreements by and between Urban Pacific Investors, LLC and Pacific Gas and Electric Company as set forth in that certain Letter dated May 25, 2012 as disclosed to the Company.

Affects: Tract Two

**Matters contained** in that certain document

Entitled: License and Easement Agreement - Excavation and Shoring  
Dated: July 2, 2012  
Executed by: 401 Harrison Investor, LLC, a Delaware limited liability company and One Rincon Hill Association  
Recording Date: July 3, 2012  
Recording No.: Instrument No. 2012-J441821, of Official Records

(Affects Tract One)

Reference is hereby made to said document for full particulars.

**Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Comcast of California III, Inc.  
Purpose: Broadband communications system  
Recorded: January 21, 2014, Series No. 2014-J826323, of Official Records  
Affects: Common area

Recitals as shown on said Condominium Plan.

**Easements:** Easements for utilities, rights-of-way, and other purposes are shown on the title report and Subdivision Map recorded on December 14, 2005 in the Office of the San Francisco County Recorder, Book 92 of Condominium Maps, Pages 133 through 134, and Condominium Plan recorded March 26, 2015 as Instrument Number 2015-K03937.

**TAXES**

**Regular Taxes:** The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

The total property tax rate for the subdivision is 1.1691% for tax year 2014/2016.

For the purchaser of a condominium unit in this subdivision, the full cash value of the unit will be the valuation, as reflected on the tax roll, determined by the county assessor as of the date of purchase of the unit or as of the date of completion of an improvement on the unit if that occurs after the date of purchase.

#### Notice of Your 'Supplemental' Property Tax Bill

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office.

**Special Taxes & Assessments:** This subdivision lies within the boundaries of the Teacher Support District and is subject to any taxes, assessments and obligations thereof.

This subdivision lies within the Association of Bay Area Governments Community Facilities District No. 2006-1 and San Francisco Unified School District Community Facilities District No. 1990-1 and is subject to any taxes, assessments and obligations thereof. The Subdivider must provide purchasers with disclosures entitled, "Notice of Special Tax" prior to a purchaser entering into a contract to purchase. These Notices contain important information about district functions, purchaser's obligations, right of the districts, and information on how to contact the districts for additional materials. Purchasers should thoroughly understand the information contained in the Notices prior to entering into a contract to purchase. These special taxes appear on the yearly property tax bill, and are in addition to the tax rate affecting the property described above in the section entitled "Regular Taxes."

The buyer has five days after delivery of these Notices by deposit in the mail, or three days after delivery of any notice in person, to terminate the purchase agreement/contract by giving written notice of that termination to the owner, Subdivider, or agent selling the property.

#### FINANCING

If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending upon the lender selected. These documents may contain the following provisions:

**Acceleration Clause:** This is a clause in a mortgage or deed of trust which provided that if the borrower (trustor) defaults in repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

**Due-on-Sale Clause:** If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is nevertheless likely to insist upon modification of the terms of the instrument as a condition to permitting assumption by the purchaser. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of your promissory note.

**Balloon Payment:** This means that your monthly payments are not large enough to pay off the loan, with interest, during the period for which the loan is written and that at the end period, you must pay the entire remaining balance in one payment. If you are unable to pay the balance and the remaining balance is a sizable one, you should be concerned with the possible difficulty in refinancing the balance. If you cannot refinance or sell your property, or pay off the balloon payment, you will lose your property.

**Prepayment Penalty:** This means that if you wish to pay off your loan in whole or in part before it is due, you must, in addition, pay a penalty.

**Late Charge:** This means that if you fail to make your installment payment on or before the due date or within a specified number of days after the due date, you, in addition, must pay a penalty.

**Adjustable Rate Loan:** The Subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

BEFORE AGREEING TO ANY FINANCING PROGRAM OR SIGNING ANY LOAN DOCUMENTS, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL THE PROVISIONS CONTAINED IN THE LOAN DOCUMENTS.

### PURCHASE MONEY HANDLING

The subdivider must impound all funds (purchase money) received from you in an escrow depository until legal title is delivered to you. •except for such amount as the subdivider has covered by furnishing a bond to the State of California. [Refer to Business and Professions Code Sections 11013, 11013.1, and 11013.2(a).]

No escrow will close until 80% of the condominium units have been sold and are ready to close simultaneously.

**NOTE:** Section 2995 of the Civil Code provides that no real estate subdivider shall require as a condition precedent to the transfer of real property containing a single-family residential

dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the subdivider has a financial interest of 5% or more.

THE SUBDIVIDER HAS NO FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF CONDOMINIUM UNITS IN THIS SUBDIVISION.

### **SOILS AND GEOLOGIC CONDITIONS**

Soils and geologic information is available at City of San Francisco, 1660 Mission Street, San Francisco, CA 94103.

CALIFORNIA IS SUBJECT TO GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION, OR SUBSIDENCE. THE UNIFORM BUILDING CODE, APPENDIX CHAPTER 33, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM SUCH GEOLOGIC HAZARDS. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH APPENDIX CHAPTER 33 OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

### **UTILITIES AND OTHER SERVICES**

**Water:** The San Francisco Public Utilities Commission advises that it will supply water to each condominium unit.

**Gas and Electricity:** PG&E (800) 743-5000

**Telephone:** AT&T (800) 310-2355

**Fire Protection:** The San Francisco Fire Department advises Station No. 1 is within one mile of this subdivision and will be the main responder

**Schools:** This project lies within the San Francisco Unified School District. This district advises that the schools initially available to this subdivision are the following:

Elementary School: Daniel Webster  
Grades K-5 465 Missouri Street  
San Francisco, CA 94107

Per the letter from the San Francisco Unified School District on February 19, 2014 "San Francisco is a school district of choice in which any student can apply to attend any school in the district. The elementary school (listed above) falls within the attendance area of the new residential project indicated. Please note there are no attendance designations for middle and high schools."

The above school information was provided prior to the date of issuance of this Public Report and is subject to change. For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the school districts.

**CONTACTING THE BUREAU OF REAL ESTATE**

If you need clarification as to the statements in this Public Report or if you desire to make arrangements to review the documents submitted by the Subdivider which the Bureau of Real Estate used in preparing this Public Report you may contact:

Bureau of Real Estate  
Northern California Office  
Subdivisions North  
1651 Exposition Blvd.  
Sacramento, CA 95815  
(916) 263-8929

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